

## DotAsia Board Workshop Minutes

<b>Date(s) &amp; Time:</b>	February 16, 2020 (Sunday) 10:00 – 18:00 (UTC+11)
<b>Location:</b>	Face to Face: Room M5, Crown Promenade Melbourne, Australia Zoom Meeting Room: <a href="https://aji.asia/zoomboard">https://aji.asia/zoomboard</a>
<b>Attendees:</b>	<p>Satish BABU            Billy CHEONG *            Edmon CHUNG            Atsushi ENDO            Lianna GALSTYAN            Maureen HILYARD            LIM Choon Sai (Remote)            Alireza SALEH **            THAM Yiu Kwok ***</p> <p>Pavan BUDHRANI (DotAsia Team) ****            Rebecca CHAN (DotAsia Team) ****            Leona CHEN-BIRKNER (DotAsia Team) ****            Freda CHEUNG (DotAsia Team) ****            Jenna FUNG (DotAsia Team)</p> <p>Apologies            Tommy MATSUMOTO</p> <p>Absent:            Joel DISINI</p> <p>* Joined meeting from Discussion Item 8.3            ** Joined meeting from Discussion Item 8            *** Joined meeting from Discussion Item 5, Left meeting after completion of Discussion Item 5.4.4, Rejoined meeting from Discussion Item 6            **** Joined meeting from Discussion Item 6</p>

No.	Action Items:	Owner	Remarks
...	<i>Meeting as DotAsia Board Workshop, hence previous Action Items are not included.</i>		
2020.02.A01	Update Board Governance documents to add considerations for amendment and adoption process for the respective documents.	Edmon CHUNG	To be provided at respective next Board Committee meetings.
2020.02.A02	Clarify the legal status of Cayman Island lawsuit with Ogier.	Edmon CHUNG	Awaiting advice from Ogier.
2020.02.A03	Provide detailed Summary of Namesphere Financial Position & Transactions to the Board.	DotAsia Team	In progress, aim to be provided by next board meeting.

No.	Action Items:	Owner	Remarks
2020.02.A04	Seek legal advice to clarify a proper process on how to inform stakeholders of Namesphere on decisions.	Edmon CHUNG	Legal advice obtained. Will proceed accordingly.
2020.02.A05	Share SCP allocations (up to Sep 30, 2019) with Sponsor Members.	DotAsia Team	In progress.
2020.02.A06	Prepare to conduct a pilot of the DotAsia Onboarding Program with Board members in April 2020	Edmon CHUNG	In progress.
2020.02.A07	Send Doodle request to the Board to confirm the date of F2F Board Meeting.	DotAsia Team	In progress.

## Discussions:

### Feb 16 Morning Session

#### 1. Roll Call

- 1.1. With no objection from Board Members present, Atsushi ENDO continued to chair the Board Workshop on Feb 16, 2020.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

#### 2. DotAsia Board Governance Framework

- 2.1. The Board Governance Framework was shared to the Board for discussion.
- 2.2. The Board Governance Framework includes the following sections:
  - DotAsia Vision and Mission
  - DotAsia Board Governance Structure
  - Responsibilities of the Chairman
  - Responsibilities of the Board of Directors
  - Responsibilities of the Board Committees
  - Responsibilities of the Board Executive Committee (Board Exco)
  - Responsibilities of the Board Governance Committee (BGC)
  - Responsibilities of the Board Finance Committee (BFC)
  - Responsibilities of the Board Community Projects Committee (BCC)
  - Election of the Chairman and any other Officers
- 2.3. There was comment that the usage of “Chairman” is not gender neutral as an official document. It was clarified that “Chairman” was suggested by the legal counsel to align with the term used in the DotAsia M&A.
- 2.4. Under the section of Election of the Chairman and any other Officers, it was clarified that the definition of Officers can be referenced in Item 2b. of the Board Governance Framework. Officers are referring to the Chairman, Board Secretary seated by BGC Chair, Board Treasurer seated by BFC Chair and the Alternate Chairmans.

- 2.5. Question was raised whether it may be better to define the quorum as a percentage to reduce need for revision if the number of committee member changes. It was clarified that DotAsia's legal counsel recommended stating exact number for quorum for clarity. It was also noted that as the Board Governance Framework (different from the DotAsia M&A) could be updated with Board resolution when needed.
- 2.6. It was highlighted that based on legal advice obtained, if a Director is against holding an Election of the Chairman, the then current Chairman will continue his duty as per the DotAsia M&A Article 48, until the Chairman is no longer on the Board or until an election is unanimously agreed upon.
- 2.7. There was suggestion and agreement to add a statement in key documents for BGC, BFC and BCC that respective committees will review and make recommendations for any necessary amendment to the documents and it will be brought forward to the whole Board for adoption. (2020.02.A01)
- 2.8. There was suggestion to circulate the Board Governance Framework to the new Board Members Nicole and Billy for comments. Finalization for adoption should take place during the Mar/Apr Board meeting.

### **3. DotAsia Company Documents Director Request Process**

- 3.1. The document was developed to provide the Board with a process if/when a Director needs to request for Company documents for inspection. It is aligned with the DotAsia M&A which safeguards the interest of DotAsia against any abuse of such request and usage of the documents.
- 3.2. The DotAsia Company Documents Director Request Process includes following components:
  - Inspection of documents in respect of payment authorization by an individual Director.
  - Inspection of other documents of the Company.
  - Procedures for Inspection of documents at the registered office of the company.
  - Handling and Returning of confidential information.
- 3.3. Additional statement to be added to the document to clearly state the amendment and approval process. (2020.02.A01)
- 3.4. It was clarified that adopted document will be posted to the DotAsia Website.
- 3.5. The document has been reviewed by the BFC and is targeted to be adopted by the Board in the Mar/Apr Board meeting.
- 3.6. Question was raised if there is a time limitation on requesting the document.
  - 3.6.1. Based on received legal advice, it was clarified that once the request is filed, the request will be valid even if the requestor ceases to be a Director of DotAsia. The request remains open until the request is fulfilled and/or if the request is no longer relevant to the requesting Director's duty to his/her obligations as a Board Director of DotAsia
  - 3.6.2. It was also clarified that a Director is eligible to request for documents that may be before his/her directorship and that the DotAsia Team's understanding is that under Hong Kong Regulations, financial documents are required to be kept for 7 years for accounting purposes; the Company does not have obligations to retain documents beyond 7 years.

- 3.6.3. It was highlighted that the requested document must be an actual existing document, if the document does not exist, the Company does not have obligation to provide such request.
- 3.6.4. The Board could refuse acceptance of request of document based on the DotAsia Company Documents Director Request Process in order to avoid abusive requesting of documents.

#### **4. DotAsia Code of Conduct**

- 4.1. The Code of Conduct for DotAsia Directors and DotAsia Representatives (Advisory Council Members, Staff and other Consultants) was briefed.
- 4.2. The DotAsia Code of Conduct includes the following components:
  - Fiduciary and Duties of Care, Skill and Diligence
  - Respectful, Ethical and with Personal & Professional Integrity
  - Confidentiality and Proprietary Information
  - Conflict of Interest
  - Solicitation and Acceptance of Advantages
  - Refraining from Harassment and Inappropriate Behaviour
  - Reporting Complaints and Remedial Processes
- 4.3. The Code of Conduct was drafted with reference to the sample Code of Conduct jointly developed by the HK Council of Social Services and Independent Commission against Corruption and other local and global Internet organizations, including ICANN Board & Community, APNIC Executive Council & Community, ISOC Board and APriGF.
- 4.4. The adopted Code of Conduct will be posted on DotAsia's website.
- 4.5. There was suggestion to add that BGC representatives of both genders will be included to review harassment and discrimination cases. The formation of the BGC should consider gender balance and interest implication of members.
- 4.6. There was suggestion to provide a summary of the Code of Conduct components to provide readers a brief understanding of the document.

#### **5. DotAsia Market Development Updates**

- 5.1. Promo and Pricing for 2020 was presented to the Board.
- 5.2. .Asia Registrar and Market Development Data was presented to the Board.
  - 5.2.1. Comparison of Domains Under Management (DUMs) – New Creates & Renewals – for Top Registrars in 2018 – 2020 was presented to the Board.
  - 5.2.2. Since DotAsia received license/accreditation from China's Ministry of Industry and Information Technology (MIIT) in 2019, China based Registrars were re-engaged.
  - 5.2.3. Framework for Market Development Goals and focus areas in 2020 were presented.
  - 5.2.4. There were suggestions to try to convert data to infographics to give an easy-to-understand overview.

- 5.3. Branding, Upgrading and Domestic Sales (BUD) Program Funding for promoting .Asia brand.
  - 5.3.1. The 2 roadshow events and corresponding promotion works in Kuala Lumpur and Hanoi in 2019 was reported. Statistics of the activities such as reach, articles published, conversion rates, etc., as well as learning from the results were presented.
  - 5.3.2. Based on experiences and learning in 2019, DotAsia will plan for further utilization of the BUD fund for .Asia branding activities in Vietnam and Indonesia in 2020.
  - 5.3.3. Other market development activities in Malaysia and Indonesia were presented.
- 5.4. Discussion on the utilization of the BUD Funding program.
  - 5.4.1. The BUD Program is administered by the Hong Kong Productivity Council (HKPC), and a funding from the Hong Kong government to support brands based in Hong Kong to promote its brand to ASEAN and countries and territories with Free-Trade-Agreements (FTA) with Hong Kong (BUD-FTA), as well as Mainland China (BUD-China).
  - 5.4.2. Concerns about DotAsia's tax status and usage of the BUD fund was raised in previous discussions, and it was clarified that BUD is aware of the taxation status of DotAsia when qualifying its application. Additionally, details of the agreement and relationship with ICANN, business operation, financial information and employee documentation were submitted to BUD and examined thoroughly during the vetting process.
  - 5.4.3. Dr. Tham raised a concern regarding DotAsia's usage of the BUD fund for regional promotion and that its contribution to Hong Kong's society is limited, and whether it is appropriate for DotAsia to obtain grants from the HK government for promoting the .Asia brand. It was clarified that the design of the BUD fund was purposed for companies with substantial operations in Hong Kong to boost economic and branding opportunities in ASEAN, for which ".Asia" qualifies. Furthermore, a significant portion of the organization's budget is directed for employee salaries which are mostly based out of Hong Kong, hence establishing substantial operations there, and that throughout the years, DotAsia has also contributed meaningfully to and is well recognized by the Internet and IT community in Hong Kong. There was agreement among the other Directors that it is appropriate for DotAsia to utilize the fund given that it has received the approval from the fund's vetting committee, and that it is beneficial for DotAsia to continue to utilize such kinds of funds to further its mission.
  - 5.4.4. Dr. Tham continued to dispute the matter. As a point of order the Chair asked Dr. Tham to refrain from repeatedly raising matters that have already been discussed. Dr. Tham responded forcefully and left the meeting.
  - 5.4.5. There was agreement that the behaviour expressed was inappropriate and in violation of the Code of Conduct discussed in item 4. It was further suggested that the Board should recognize the situation and make fallback plans for future activities to avoid undue blockade by certain Board members.

- 5.4.6. Further banking resolution related to the matter for Resolutions 2019.11.003 (update of ICBC account signatory) and 2020.01.003 (new ICBC account setup) to be scheduled for the Board Meeting on Feb 17 immediately after the AGM with the new Board seated.

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## Feb 16 Afternoon Session

### 6. DotAsia Community Development Updates

- 6.1. DotAsia Core Values and Core Competence framework was presented to the Board which were designed by the DotAsia Team and discussed within BCC.
  - 6.1.1. Over the past months, BCC discussed the underlying principles of whether to take on or continue existing community projects. DotAsia presented the Core Values & Core Competencies framework developed by the team in 2017 and used internally for prioritization of ongoing work and consideration of new projects.
  - 6.1.2. The framework has been reviewed by the BCC and is recommended for consideration by the whole Board.
  - 6.1.3. The framework is targeted to be adopted by the Board in the Mar/Apr Board meeting. Final adopted version will be posted on DotAsia's website.
- 6.2. Progress on Social Impact Assessment (SIA) & Measurement of community projects was presented.
  - 6.2.1. The purpose of developing more formal SIA and measurement is to better account for the efforts and success of community projects at DotAsia, as well as to prepare for application to grants and funding that can support the scaling of the projects.
  - 6.2.2. The approach taken by the DotAsia Team is to work on adapting an existing Social Impact Assessment (SIA) framework to measure the effectiveness of community projects. It is found that generally such framework builds on the Vision & Mission (which has been reaffirmed), then on project goals, program structure, and Theory of Change (ToC).
  - 6.2.3. Based on the DotAsia Vision & Mission, a ToC worksheet was developed with dual goals for each project: a community goal and a .Asia goal (in support of the .Asia registry development). As a pilot, the worksheet was applied to 3 community projects, including APriGF, NetMission and Ajitora. An initial rough metrics framework is being developed, and a standard SIA framework will be adopted or adapted. Data will be gathered in the first year for review at the end of the year.
  - 6.2.4. One proposed SIA framework considered and under discussion is the Social Return On Investment (SROI), although it is remarked that some outputs of community projects maybe difficult to monetize.
  - 6.2.5. Progress of the work will continue to be updated to the BCC.

### 7. DotAsia Discussion on Namesphere Works

- 7.1. Lawsuit & Legal Advice Updates

7.1.1. .BOX Lawsuit Update (Cayman Corporate Action)

- 7.1.1.1. Share subscription request from Namesphere was denied by Intercap as they claimed that the response to the share subscription call was received after the 5-day notice period. Our lawyers (Ogier) disagreed and issued a letter demanding otherwise. Harneys (Intercap's lawyers) responded further rejecting our demand.
- 7.1.1.2. Further actions to be advised by Ogier (DotAsia's Legal Counsel) and in response to further actions, if any, by Intercap.
- 7.1.1.3. There was a comment that the legal environment of Cayman Island may have shifted due to Brexit. The status and its implications, if any, will be clarified with Ogier. (2020.02.A02)
- 7.1.1.4. There was a proposal to involve Board Exco in correspondence with Ogier on the Cayman lawsuit. Other Board of Director who would like to volunteer to liaise with the Legal Counsel is welcomed.

7.1.2. .BOX Lawsuit Update

- 7.1.2.1. Witness examination of Edmon CHUNG and for Intercap were completed, the final transcript is being prepared and will be shared with the Board once available.
- 7.1.2.2. The lawsuit report along with next steps and considerations were presented and discussed.

7.1.3. Matters Requiring Legal Advice in Hong Kong

- 7.1.3.1. List of Matters Requiring Legal Advice was presented and discussed.

7.2. Summary of Financial Position & Transactions of Namesphere.

7.2.1. A summary of Namesphere's financial position was presented to the Board based on two main phases and calculating the Net Investment Funds Available:

- 7.2.1.1. Start Phase (2012 – 2014)
  - The original capital investments
  - Expenses included application, defending objections, corporate maintenance and others before the Operation Phase.
- 7.2.1.2. Operation Phase (2015 – 2019)
  - Main expenses included TLD acquisition costs, ICANN and service provider fees, etc., staff salary allocations and consultancy fees, corporate maintenance and others for the operation of Namesphere and its projects
  - Income included sale of TLD/TLD applications, and Front End Registry operator fees
- 7.2.1.3. Net Investment Funds Available

- All original capital investments plus all incomes minus all expenses incurred to date.
- 7.2.2. The main points of dispute raised by Joel/DotPH, including the amount committed by DotAsia (US\$358,695) and additional amount assumed by ER3 (US\$20,000) in the Start Phase, and the salary, consultant and cost amounts allocated from DotAsia to Namesphere in the Operation Phase were highlighted. It was clarified that the allocation was discussed at the Board throughout 2015 and applied and reported to Board thereupon annually, which marks the beginning of the Operation Phase.
- 7.2.3. Dr. Tham raised a question that the additional amount assumed by ER3 should be placed in the Operation Phase. It was clarified that the investment was committed in the Start Phase and assumed in the Operation Phase.
- 7.2.4. It was clarified that the Net Investment Funds Available only indicates the cash summary of Namesphere, the value of other assets held by Namesphere (e.g. shareholding in .BOX and .WEBinChinese, Front-End Registry Services contracts, etc.) are not included.
- 7.2.5. There was a request for a detailed version of the Namesphere Financial Position to be provided to the Board for reference. (2020.02.A03)
- 7.2.6. A question was raised on whether the figures are auditable. It was clarified that the summary presented had been developed based on the numbers agreed by audits and reports from 3 auditors: the annual consolidated audit of DotAsia Organisation, Foundation and Namesphere Companies by RSM, Namesphere's individual company's annual audit report, and RT&Co's draft report.
- 7.2.7. It was suggested that a separate bank account for Namesphere be created at the Net Investment Funds Available put into the account. It was further suggested to seek legal advice regarding the creation of the bank account, as well as to identify a proper process to communicate with Namesphere stakeholders on discussion and decisions. (2020.02.A04)
- 7.3. Namesphere Way Forward
- 7.3.1. The assets in the form of stakeholding in various new gTLDs, and contracts for Front-End Registry Services were presented
- 7.3.2. It was highlighted that Joel is a stakeholder of Namesphere, and Namesphere should have a process to involve stakeholders on discussion and decisions. It was agreed that Legal Advice is required before furthering any negotiations.
- 7.3.3. There is recognition that DotAsia has largely completed its mission on creating Namesphere and giving knowledge to partners in developing new gTLDs and navigating the ICANN processes, and that moving forward, DotAsia would begin to refocus on .Asia and more direct efforts towards the DotAsia Vision & Mission.
- 7.3.4. There was a suggestion to present this direction for Namesphere, first brought up in the May 2019 Board meeting, and further discussed in depth in the Oct 2019 and this Feb 2020 F2F Board meeting to Members at the AGM on Feb 17, 2020.



## 8. DotAsia Financial Updates

- 8.1. Draft Income Statement for the financial year Oct 1, 2018 – Sep 30, 2019 was presented to Board Members.
  - 8.1.1. It was highlighted that the Extraordinary Income came from .MO income, UASG Project, MSRS.TL and Expiration of SCP Funds.
  - 8.1.2. Afilias' reports on registrations by country of registrant (up to Sep 30, 2019) used for SCP allocation are now available. Information on accrued amounts of SCP funds and available balance will be provided to Members. (2020.02.A05)
  - 8.1.3. It was highlighted that the Salaries & Benefits allocation to DotAsia Foundation and Namesphere Holdings is based on a time allocation survey from the DotAsia Team developed with the recommendations from RSM (Completed Action Item: 2019.10.A07).
  - 8.1.4. It was highlighted that the organization has returned a positive operational profit. However, due to the conditions of the real-estate market in Hong Kong, the office valuation dropped this year, contributing to a negative total comprehensive income for the year. It was clarified that the current value of the property is still well above the purchased value.
- 8.2. Draft Balance Sheet in USD as of Sep 30, 2019 was presented to Board Members.
  - 8.2.1. Question was raised if litigation provision was considered under Other Income/Loss in 2018. It was clarified that there was no provision for litigation in 2018 because the provision was done in 2017 and due to the unchanged legal situation, there was no provision for litigation in 2018.
- 8.3. Expenditures of Apr – Sep 2019 was presented to Board Members.
  - 8.3.1. It was highlighted that travel costs for Community Projects (NetMission, APIGA, APriGF) were included in Community Contributions, therefore, explaining the variance between the Marketing & Travel and Community Contributions budgeted expense.
  - 8.3.2. It was highlighted that expenses in Sep 2019 was higher due to financial audit and technical consultant for the MSRS.TL project.

## 9. Budget 2020 – 2022

- 9.1. Draft budget expenses 2020 – 2022 was presented.
  - 9.1.1. It was highlighted that Service Providers & ICANN Fees were added as a new section. Previously such fees were deducted directly from income projection as cost-of-goods-sold.
  - 9.1.2. It was highlighted that the approach for the budget development is generally to aim for ending up with a net income/expense slightly above breakeven point based on DotAsia as a not-for-profit organization.
  - 9.1.3. A comparison of the draft budget 2020 - 2022 to budget 2018 – 2020 and to actual 2018 – 2020 was presented. In summary the budget is based

on projecting forward a generally stable outlook with similar numbers budgeted and experienced in the past two years.

- 9.1.4. Budget framework, i.e. the rough percentile allocations to the broad stroke items (Marketing & Travel, Salaries & Consultants, Community Contribution, and Administrative Overhead) presented in Oct 2019 Board Meeting and its application into budget 2020 allocations was also referenced.
- 9.1.5. It was highlighted that in the budget 2020 allocation, took for the first time a project-based budget allocation for community projects. Salaries and travel along with out-of-pocket costs for APriGF, NetMission, Secretariat Support and other contributions are included as separate line items under the DotAsia Foundation expense budget, which is then incorporated into the Community Contributions section as DotAsia Subsidy to DotAsia Foundation.
- 9.1.6. It was highlighted that rebates (related to market development price promotions) are included as a separate line item under Market Development. Previously, like ICANN and Service Provider Fees (item 9.1.1 above), rebates were deducted directly from income projection as cost-of-goods-sold.
- 9.1.7. It was highlighted that DotAsia Team travel and Board travel are separated as two separate line items.
- 9.2. Budget Income Projections 2020 – 2020 was presented.
  - 9.2.1. It was highlighted that DotAsia would continue to rely substantially on income from .Asia Registry for the coming few years.
  - 9.2.2. A question was raised on when the current contract for .MO expires. It was clarified that the current contract term with .MO is until Mar 2021.
  - 9.2.3. There was suggestion to invite HNET and HN Group to join DotAsia F2F Board Meeting in Oct 2020 in Hong Kong<sup>1</sup>.

## 10. Preparation for AGM

- 10.1. Agenda of the AGM has been sent to DotAsia Members.
  - 10.1.1. It was suggested and agreed to propose at the AGM to move “Member Resolutions” forward to the beginning of the agenda for online participants.
- 10.2. Board Elections 2020
  - 10.2.1. Board Elections 2020 details, including the development of the procedures, the schedule and results that will be presented in the AGM were briefed.
  - 10.2.2. The scope and results of the RSM audit engagement was presented.
  - 10.2.3. There was discussion and agreement to remove reference to the Candidates’ Bio in the presentation to Members at the AGM since the election is already completed.
- 10.3. Board Meeting Chair and Board Committee remarks for AGM were briefed.

## 11. Onboarding Program Development

- 11.1. The ongoing discussion at BGC regarding the framework of the DotAsia Onboarding program was presented.
- 11.1.1. Brief History of DotAsia
- Formation of DotAsia
  - Launch of .Asia
  - Vision & Mission of DotAsia
  - First 10 years of .Asia
- 11.1.2. DotAsia Corporate Relationships
- Relationship with ICANN
  - Relationship with the Internet Community
  - Relationship with Service Providers
- 11.1.3. DotAsia Operations
- The DotAsia Team
  - The .Asia Registry Operations
  - Community Development
  - HNET Asia and .MO
  - Namesphere and new gTLDs
  - Other Projects
- 11.1.4. DotAsia Board Administrative Matters
- Board Governance Framework
  - Code of Conduct
  - Recent Board Decisions
  - DotAsia Organization & DotAsia Foundation
  - Board Meetings & Tools
- 11.2. There were suggestions to publish some of the modules online (e.g. Brief History of DotAsia). All modules will be uploaded to the Board Wiki.
- 11.3. To increase knowledge about industry structure and operations, there was suggestion to add the structural model of Registry and Registrar as well as introduction of different types of Registrars in the program.
- 11.4. It was suggested to emphasize board procedures, fiduciary and responsibility of bank signatory under the DotAsia Board Administrative Matters module.
- 11.5. There was suggestion to have a pilot run of the program to all Board members in April and further discuss enhancements for the program during the June F2F Board Meeting. (2020.02.A06)

## 12. Travel Schedule of CEO

- 12.1. Edmon provided updates on Feb to Aug 2020 travel plans.

## 13. Next Meeting Schedule

- 13.1. Mar to Sep 2020 Board meeting dates are proposed as follows:
- Mar 26
  - Apr 23
  - May 21
  - Jun 26 (Friday) F2F Meeting at ICANN Kuala Lumpur

- Jul 30
  - Aug 27
  - Sep 17
- 13.2. Tentative schedule of F2F Meeting in Hong Kong<sup>1</sup>, Doodle request will be sent for scheduling. (2020.02.A07)
- Sep 12 – 13
  - Sep 26 – 27
  - Nov 14 – 15
  - Nov 21 - 22

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<sup>1</sup> This has been updated by subsequent Board meeting on Feb 17, 2020.